

**Open your own resale store or consignment shop!**

FabJob Guide to  
**Become a  
Secondhand  
Store Owner**



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## 1. Introduction

If you love the thrill of hunting for treasures and are looking for a business that is inexpensive to start and recession proof, then running a secondhand store is for you.

Secondhand, or resale stores, are one of the fastest growing portions of the retail industry. According to the National Association of Resale and Thrift Shops (NARTS), there are more than 25,000 resale stores across the United States. In the last 25 years, secondhand stores have changed from dark, dingy stores to a multi-million dollar industry with a variety of niches and store types.

Today, because of the rising cost of living, many people buy gently-used items to help their dollar stretch further. As a secondhand store

owner, you will help people find quality items that might otherwise be out of their price range. You might also offer the opportunity for others to earn a small income from selling items through your store on consignment. You will learn how to get started in this rewarding business in the *FabJob Guide to Become a Secondhand Store Owner*.

This chapter lays the foundation for the rest of the guide. It explains the difference between a consignment store and a resale store, as well as the various types of stores successful secondhand store owners run. It also covers the benefits of this exciting career choice and outlines the steps needed to get started.

## 1.1 Types of Secondhand Stores

If you are thinking about starting a secondhand store, then chances are you have visited secondhand stores in the past. As you've probably noticed, there is a wide variety among secondhand stores in terms of the types of merchandise they sell. Before you open your store you will need to decide if you will have a specialty that you will concentrate on such as used furniture, clothing, antiques, sporting goods or something else entirely. Perhaps instead of specializing you will become more of a "generalist", selling a little bit of everything.

Let's take a quick look at the different types of specialty secondhand businesses you can choose from.

*Antiques:* Furniture, glassware, kitchenware, collectibles, etc.

*Books:* Paperbacks, hardcover books, novels, atlases, rare books, etc.

*Clothing:* Everything from "gently used" currently in style clothing to vintage clothing; or specialize even further in, for example, children's, maternity or bridal

*Electronics:* CD and DVD Players, computers, TVs, stereos, etc.

*Music and Videos:* CDs, DVDs, VHS tapes, cassettes, vinyl records, etc.

*Sporting goods:* Skis, hockey equipment, baseball gloves, golf clubs, and just about anything else sports-related

*Other:* Any other products that people want to save money by buying used, such as: furniture, housewares, garden equipment, music instruments, tools, toys

This is not an exhaustive list and there really are no rules as to what kind of resale store you will choose yours to be. You can carry a little bit of everything, or you can specialize in just one or a few areas. What you decide to sell in your store is entirely up to you. That's the beauty of secondhand store merchandise; the choices are so flexible.

Based on your personal experience with secondhand stores, you probably have a sense of how such a store is run, but were you aware there is a difference between consignment stores and resale stores? Each type has its benefits for you, depending on your own personal goals for your future store.

## Consignment

Consignment stores take in merchandise from clients and sell it for a percentage of the profits. A typical split is 60/40, with 60 percent of the sale price going to the store to cover overhead expenses and create a profit for the store owner, and 40 percent going to the consignor who has left their merchandise with the store. Consignment can be an inexpensive way to build inventory because you do not have to pay for the product until it has sold. You can stock your store with high end merchandise without paying for it up front.

## Resale

The main difference between a consignment store and a resale store is that resale stores typically buy used items outright and resell them. Resale store owners often pick up items at auctions, garage sales, or buy them from individuals. Often, you will have more of an investment upfront, but if you find a good deal and are able to resell for a good markup, then you keep all the profit and do not have to split it with a client.

Many secondhand stores operate on both principles. They buy items for resale and they also take in some items on consignment. As mentioned above, consignment is a great way to build your inventory initially or, once you're established, to bring higher priced items into your store. Once you have a feel for what sorts of consignment items sell well you can start to purchase similar items and maximize your profit.

## 1.2 Benefits of Being a Secondhand Store Owner

*"I love the way someone's face lights up when they find a treasure that's not available anywhere else and then realize that they can afford to take it home."*

— Amy Boney, Former owner  
A Horse of a Different Color

While gathering information for this guide, we asked successful owners what the greatest benefits were for them.

### Freedom

*"The most rewarding thing about running the shop is the total autonomy and control of the business and the ability to tailor it to my lifestyle. I work four days a week and have a wonderful sister-in-law who loves to come in to help, allowing the shop to be open five days a week. And it is such a creative outlet!"*

— Barbara Belhumeur, The Next Best Thing  
Consignment For Home & Garden  
Johnston, Rhode Island

One thing several store owners mentioned was the freedom that comes with owning your own store versus working for someone else. While it is important for store owners to offer convenient and regular hours for their customers, if you have small children, a store allows you to take your family to work with you.

As a reseller you might even decide not to open a store. Some resellers set up booths on the weekends at local flea markets or swap meets, working as many or as few weekends as they want. Others open up shop on the Internet. You'll find some tips for this later on in this guide.

## Interacting with Customers

If you are a “people person” and enjoy spending time with, getting to know, and talking to others, then you will love running a secondhand store. If you spend any time with other secondhand store owners, either at a conference or in their individual settings, you will soon discover that this love of helping people is virtually universal. Here are some of their comments:

*“The most rewarding thing about running a secondhand store is the interaction with the customers. Most are happy to buy quality, name-brand clothing at an affordable price.”*

— Tami Schirch, Kidstuff  
Florence, Massachusetts

*“My customers are very enthusiastic about it all — from how my store looks, the name and logo, the quality, the prices, and the ‘treasures’ they find at my store. I love hearing how people appreciate my work.”*

— MarKay Appel, PB&J  
Marietta, Georgia

*“I come from a large family and buying clothing for eight children was very taxing on my parents. It just came naturally, as I spent most of my young life in hand-me-downs and secondhand clothing. As a young adult, I wanted to wear nice clothes; however, the cost was beyond my budget. So I shopped all the thrift stores, which included Salvation Army, Goodwill, and now Value Village. But the service you got at these stores was non-existent. I would find myself showing perfect strangers items I thought would look great on them. I loved pleasing people. The rest is history. I now please people on a daily basis. At my store, not only do my customers feel like family, but they all come back for their daily hug. Try getting that at Wal-Mart!”*

— Wanda Laing, Sarah Jean’s Boutique  
Uxbridge, Ontario

## Helping the Environment

According to *Close The Loop* ([www.homestead.com/prosites-closetheoop/didyouknow.html](http://www.homestead.com/prosites-closetheoop/didyouknow.html)), each American throws out about four pounds of garbage every day. New York City alone throws out enough garbage each day to fill the Empire State Building.

Many store owners find it rewarding to be able to save someone money and recycle at the same time. When you think of recycling, you may think of those brightly colored square bins that sit by the side of the road, or you may think about separating plastic, paper, and glass, but any item that is reused rather than discarded can be considered recycled.

*“It is a win-win for everyone. First, you are helping the community and the environment by offering a means to recycle clothing and accessories. Second, you are helping the pocketbooks of your customers by offering gently-worn quality clothing at great prices. Finally, you are helping your clients turn unwanted clothing into cash.”*

— Shelly Newman, Play It Again Mam  
Nashville, Tennessee

*“I love being able to make a positive contribution to the community I live in, and to other organizations, some very far away. We make a lot of donations to pregnancy centers, churches, and therapy group homes for their benefactors, and we even sent over 1,300 pounds of clothing, shoes, and toys to an orphanage in Haiti last year. All that in addition to the fact that we have a great store!”*

— Melanie Worton, All About Kids  
Lutz, Florida

## **Sense of Achievement**

Running your own store can be very satisfying. If you enjoy creating something from scratch and watching it grow, then you will love starting out with a small inventory and watching it blossom as your customer base increases and you gain more clients and more consignees.

*“Owning a secondhand store has been wonderful for my self esteem. It is great to meet all kinds of people daily and provide a service to the community.”*

— Linda Newell, Simply Linda’s  
Indianola, Iowa

## **Be Your Own Boss**

As a store owner, you will be your own boss. You will decide what hours you will work and when you will not. You will have the freedom

to make creative decisions and decisions that will benefit you and your business without anyone else telling you how to do things. Wherever the spirit moves you, you can realize any dream you can imagine and make it a reality.

## **Income Potential**

As a secondhand store owner you will have many avenues to generate revenue. You can choose to keep your bottom line healthy by sales of your own inventory and sales by consignment. You can decide what business mix works best for you. There really are no rules.

## **You Can Start Right Now**

A secondhand store is a business that requires no special training. You can start on a shoestring budget by selling at flea markets or on the Internet and then move into a retail store. Or you can take in consignments instead of stocking expensive resale inventory. There are many different ways for you to start your own business and start making money right away.

## **1.3 Inside This Guide**

*The FabJob Guide to Become a Secondhand Store Owner* is organized to help take you step-by-step through the basics you will need to open and operate your own store. The chapters are organized as follows:

Chapter 2 (“Developing Your Skills”) explains how to learn the skills you will need as a secondhand store owner. It covers ways of learning from experts and through observation. You will also discover how to “earn while you learn” by selling secondhand merchandise right away on the Internet, at garage sales and flea markets, or by getting a job in the resale industry. You’ll also find resources for learning more.

Chapter 3 (“Starting Your Secondhand Store”) will help you decide what kind of store you should open. This chapter discusses different products you can sell and will help you decide whether to buy an existing store, operate a franchise, or open a new store. It also explains what you need to get started, including your business plan, start-up financing, store name, and other important matters.

Chapter 4 (“Setting Up Your Store”) offers the information you need to actually set up your store. It gives advice on how to choose a location, get merchandise to sell, and arrange displays. You will also discover what equipment and supplies you will need.

Chapter 5 (“Store Operations”) takes you into the day-to-day challenge of running your store once it’s open. It explains how to develop a procedures manual, and covers inventory management, financial management and pricing, marketing your business, and working with staff and customers.

You’ll also find an exciting Bonus Chapter. Chapter 6 offers you an informative look at the antiques and collectibles segment of the industry. After a brief introduction, you will learn where to find antiques, and then read tips on how to buy, ship, and care for them. This chapter also offers tips on developing a clientele, and provides you with a few suggestions on other services you can offer to help build your customer base and increase your income.

By following the steps in this guide, you will be well on your way to living your dream — opening your own successful consignment store or resale shop.